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CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
5 November 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Implications of the Italian Socialist  
Party Congress, 25-29 October

1. The most noteworthy accomplishment of the recent Socialist congress was the party's endorsement of a new effort to form a center-left government. To that extent it was a victory for Pietro Nenni's moderate faction. However, much hard bargaining with the Christian Democrats is in prospect during the days and probably weeks ahead. Moreover, there is no guarantee at this early date that these negotiations will succeed in fashioning a new regime.

2. Aldo Moro, the secretary of the Christian Democratic party, who is the prospective premier of a new center-left government, thinks the chances are better than even that such a regime can eventually be pulled together. He is, however, unenthusiastic about the overall tone of the final resolution that came out of the congress. He has also pointed to several rickety planks in the resolution which will cause trouble.

3. Among these is an ambiguous one dealing with the MLF. Although it approves Italy's participation in the project, Moro finds it unacceptable because he feels it implies that the Socialists are against MLF ships using Italian ports. He also objects strongly to another plank which seems to demand legislation setting up regional administrations (a pet Socialist project) prior to a commitment by the Socialists not to ally themselves with Communists in the administration of those regions.

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4. Another major obstacle to smooth negotiations is bound to be the pushing and hauling over the assignment of cabinet portfolios. Since so much revolves around personalities, it is impossible to predict just how this aspect of the bargaining will go.

5. Some idea of what is in store is the wide divergency in opinion as to who should be foreign minister. Most Christian Democrats favor Guiseppe Saragat, leader of the Social Democratic party which is also slated to be in the coalition. He is, however, opposed by the Socialists who favor former Premier Amintore Fanfani for the post. Fanfani, in turn, is anathema to the right wing of his own party. Another potential problem is the possibility that right-wing Christian Democrats, who do not have much stomach for a center-left government anyway, will throw up roadblocks by insisting on giving important posts to such extreme conservatives as Guiseppe Pella and Giulio Andreotti.

6. A third factor that could suddenly throw delicate negotiations out of kilter is Ricardo Lombardi, the Socialist leader who was chiefly responsible for sabotaging the talks for a center-left government last June. Lombardi seems to be amenable to going along with the majority at present, but he is, at best, an uncertain quantity. He is, moreover, a virtual arbiter of party policy by virtue of the fact that he controls at least nine of Nenni's 59 representatives in the party's new 101-man central committee.

7. In the overall, there seems to be nothing in the Socialist platform that is insurmountable to the achievement of a new "opening to the left." It makes the usual Socialist pitches for social and economic reforms; calls for a general overhaul of the judiciary, education, and social security systems; and demands better local government and city planning in addition to the establishment of regional administrations. There is nothing in these that the Christian Democrats cannot live with as expressions of Socialist objectives.

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8. More positively, one provision in the Socialists' program appears to accommodate Christian Democratic insistence that a left-center government repudiate, in advance, Communist parliamentary support. In addition, this somewhat ambiguous provision is undergirded by a Socialist move to abrogate a long standing rule requiring the party to join hands with the Communists in administering those cities and provinces where the two parties constitute a majority of the electorate.

9. A further straw in the wind suggesting the Socialists are prepared to push ahead for a new coalition government is an economic report they issued about a fortnight ago. In this, they asserted they were still as adamantly opposed as ever to any wage freeze, but otherwise would not insist on a doctrinaire approach in the formation of the government's economic policy. Thus the Socialists have been passing the word that this report was intended "to dissipate preconceived fears in the business community lest a center-left government be, by nature, prodigal and spend thrift."

10. Also giving impetus to the effort to form a center-left government is the recent statement by the Italian episcopate issued by the Vatican. This document, which apparently was deliberately withheld until the Socialist congress wound up its proceedings, reiterates the Church's condemnation of communism, but avoids using the word "Marxism" which has characterized previous statements of this kind. The implication of this pronouncement is that the Church will interpose no objection to the establishment of a coalition government in which Christian Democrats and Socialists would be partners.

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